

HOUSE BILL REPORT

SHB 2437

As Passed House:
February 11, 2006

Title: An act relating to state-owned refueling stations.

Brief Description: Providing guidelines for state-owned refueling stations.

Sponsors: By House Committee on State Government Operations & Accountability (originally sponsored by Representatives Hudgins, Chase, Dunshee and Upthegrove).

Brief History:

Committee Activity:

State Government Operations & Accountability: 1/17/06, 2/1/06 [DPS].

Floor Activity:

Passed House: 2/11/06, 95-0.

Brief Summary of Substitute Bill

- Requires state agencies that own and operate refueling stations to provide information regarding practicality and cost of offering alternative fuels for the use of other state agencies and the public.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Haigh, Chair; Green, Vice Chair; Nixon, Ranking Minority Member; Hunt, McDermott, Miloscia and Sump.

Minority Report: Do not pass. Signed by 2 members: Representatives Clements, Assistant Ranking Minority Member and Schindler.

Staff: Marsha Reilly (786-7135).

Background:

As early as 1980, the Legislature commenced a policy regarding the use of alternative fuels in state-owned motor vehicles. The Office of Financial Management was directed to establish policies governing passenger motor vehicles owned or operated by state agencies and the "widest possible use of gasohol and cost-effective alternative fuels." In 1989, the Department of General Administration (GA) was directed to consider the use of state vehicles to conduct field tests on alternative fuels in areas of high air pollution. The GA was also directed to

explore aggregated purchases of alternative fueled vehicles with the federal government, agencies of other states, other Washington state agencies, local governments, or private organizations.

In 1991, the Legislature stated its policy to reduce vehicle emissions and decrease dependence on petroleum-based fuels. It directed the Utilities and Transportation Commission (UTC) to identify barriers to the development of refueling stations for vehicles operating on compressed natural gas, and develop policies to remove those barriers. The UTC was to consider providing rate incentives to encourage natural gas companies to invest in the infrastructure required by refueling stations.

The Energy Policy Act of 1992 (Act) requires certain fleets to acquire alternative fuel vehicles that are capable of operating on non-petroleum fuels. Under the Act, by 2001, 75 percent of new light duty vehicle purchases made by state fleets must be alternative fuel vehicles. Light duty vehicles are, generally, passenger cars. Excluded are law enforcement, emergency, and non-road vehicles. Currently, the state motor pool fleet consists of about 1,400 vehicles. Approximately 75 percent of these vehicles are flex-fuel and can be fueled by ethanol and/or gasoline. Because ethanol is not currently available in this state, the motor pool cars are fueled with gasoline.

Summary of Substitute Bill:

State agencies must provide the following information to the Legislature by December 31, 2007:

- refueling sites practicable for offering alternative fuels for use by other state agencies;
- refueling sites practicable for offering alternative fuels for public use;
- details of the agency's plan for renovating existing refueling stations or construction of new refueling stations and the associated costs; and
- the cost to reconfigure existing refueling stations or construction of new refueling stations to include alternative fuels and to offer alternative fuels at those stations to other state agencies.

Alternative fuels include, for the purposes of the study, biodiesel, ethanol (E85), hydrogen and liquid natural gas.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support) The policy goal is to provide more access to alternative fuels in our state by leveraging state resources to demonstrate to the private sector that the state is

willing to take a risk. It may not be possible to allow public use at the state refueling stations. The state can implement E85 in most all of these stations. Over 800 vehicles in the state fleet use ethanol, and yet ethanol is not available in the state.

(With concerns) The Washington State Department of Transportation (WSDOT) has concerns. It is expected that the fiscal note will be closer to \$2 million after reconfiguring stations, providing staffing, switching diesel types, and implementing a tax structure. Priority needs to be granted for fueling WSDOT and Washington State Patrol vehicles. Some station locations would pose potential security concerns, and access to the public poses liability concerns. If ethanol is used, the infrastructure change would include placing multiple tanks in the ground and adding pumps.

(Information only) The main vehicle used in the state motor pool is the Ford Taurus which is \$800-\$900 more than a regular Taurus, but still below the cost to the public. The GA motor pool consists of about 1,400 vehicles, about 800 of which are flex-fuel vehicles.

Testimony Against: None.

Persons Testifying: (In support) Representative Hudgins, prime sponsor.

(With concerns) Jennifer Ziegler and Greg Hansen, Washington State Department of Transportation.

(Information only) Martin Casey, Department of General Administration.

Persons Signed In To Testify But Not Testifying: None.